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## QUARTERLY REPORT #3 SMALLHOLDER TECHNOLOGY & ACCESS TO MARKETS PROGRAM (USAID-STAMP)



**April – June 2011**

This publication was produced for review by the United States Agency for International Development (USAID). It was prepared by Fintrac Inc. under contract 674-A-00-10-00088-00 with USAID/Zimbabwe.



fintrac

**Fintrac Inc.**

[www.fintrac.com](http://www.fintrac.com)  
[info@fintrac.com](mailto:info@fintrac.com)

US Virgin Islands  
3077 Kronprindsens Gade 72  
St. Thomas, USVI 00802  
Tel: (340) 776-7600  
Fax: (340) 776-7601

Washington, D.C.  
1436 U Street NW, Suite 303  
Washington, D.C. 20009 USA  
Tel: (202) 462-8475  
Fax: (202) 462-8478

**USAID-STAMP**

5 Premium Close  
Mt. Pleasant Business Park  
Mt. Pleasant, Harare  
Zimbabwe  
[STAMP@fintrac.com](mailto:STAMP@fintrac.com)  
[www.Zim-STAMP.org](http://www.Zim-STAMP.org)

# SMALLHOLDER TECHNOLOGY & ACCESS TO MARKETS PROGRAM (USAID-STAMP) QUARTERLY REPORT #3

**April - June 2011**

The views expressed in this publication do not necessarily reflect those of the United States Agency for International Development or the United States Government.

# CONTENT

<b>1. EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>2. PROJECT OBJECTIVES .....</b>	<b>2</b>
2.1 Project Description and Objectives .....	2
2.2 Geographic Focus .....	2
2.3 Communications and Reporting .....	2
<b>3. ACTIVITIES .....</b>	<b>3</b>
3.1 Increased Agricultural Productivity .....	3
3.1.1 Crops .....	3
3.1.2 Technologies .....	6
3.2 Expanded Market Access .....	6
3.3 Other Cross-Cutting Themes .....	7
3.3.1 Gender .....	7
3.3.2 Health and nutrition .....	7
3.3.3 Environment .....	7
<b>4. LESSONS LEARNED .....</b>	<b>8</b>
<b>5. CHALLENGES AND CONSTRAINTS .....</b>	<b>8</b>
<b>6. NETWORKING AND COLLABORATION .....</b>	<b>9</b>
6.1 Current Partners .....	9
6.2 Potential Partners .....	9
<b>7. CONCLUSION .....</b>	<b>9</b>
<b>8. FINANCIAL SUMMARY .....</b>	<b>10</b>
<b>ANNEX I: PROGRESS AGAINST INDICATORS .....</b>	<b>11</b>
<b>ANNEX II: MARKETING SURVEYS .....</b>	<b>13</b>
<b>ANNEX III: LIST OF PRODUCE BUYERS .....</b>	<b>21</b>

# 1. EXECUTIVE SUMMARY

This is the third quarterly report (April-June 2011) for USAID-STAMP, funded under the USAID/Zimbabwe Cooperative Agreement No. 674-A-00-10-00088-00 with Fintrac Inc.

Third quarter achievements include:

- More than 2,200 smallholder farmers in the Chimanimani and Chipinge districts are being incorporated into the formal value chain for local and export markets of banana and avocado through linkages with subtropical perennial fruit crop buyers, Tanganda and Rusitu Valley Fresh Produce (RVFP).
- 52 percent of paprika growers assisted by USAID-STAMP have sold their crop at an average price of \$1.35/kg with 90 percent of the crop sold being Grade A and B, the highest quality paprika.
- Market linkages created by the program benefited 932 small-scale banana growers in Rusitu Valley. 135 tons of bananas were sold at an average price of \$0.20/kg, \$0.10/kg higher than before USAID-STAMP's intervention.
- 41 new demonstration sites were identified to showcase good agricultural practices for bananas, avocados and potatoes
- 150 growers received training on land preparation and transplanting techniques; they will plant 4,000 grafted Hass avocado seedlings in August.
- Baseline survey successfully completed in the Chipinge district, showing annual net income of \$764 with tea and maize contributing 62 percent of household income. Program farmers will increase their incomes by 50 percent through USAID-STAMP interventions.
- Market analysis briefs on avocados and sweet potatoes completed and distributed to current and potential partners

Deliverables for the next quarter include:

- Partnership with The Seed Potato Co-op to target 280 farmers and focus on market directed production of seed and table potato.
- Sales from proteas expected to raise incomes by 50 percent.
- Select and finalize health/nutrition interventions with CBOs.



## 2. PROJECT OBJECTIVES

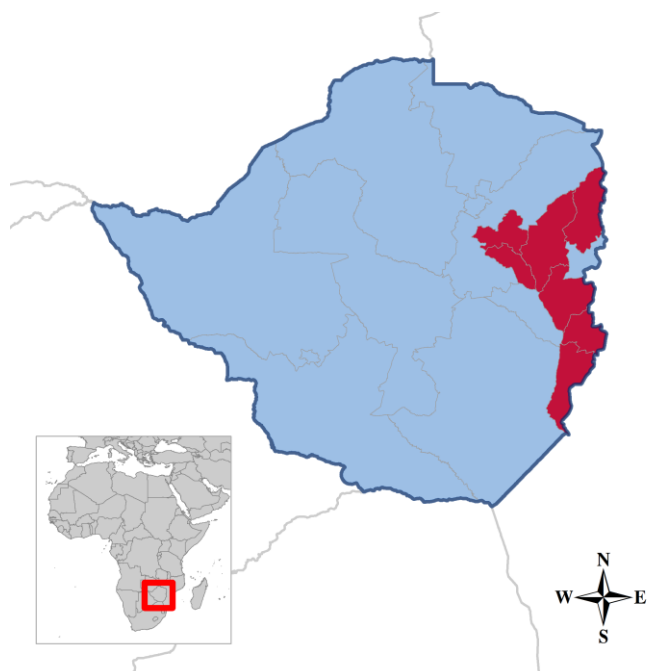
### 2.1 PROJECT DESCRIPTION AND OBJECTIVES

The Smallholder Technology and Access to Markets Program (USAID-STAMP) is an 18-month initiative supported by the American people through the United States Agency for International Development (USAID). The program aims to increase food security of smallholder farmers by expanding market access and increasing productivity, which will result in more income generation and significantly impact the lives of more than 10,000 rural families.

USAID-STAMP's mission is to increase and sustain smallholder sales and incomes from the production and marketing of high-value horticultural crops and products using environmentally friendly farm technologies and good agricultural practices (GAPs). All proposed activities will include efforts to address the impact of HIV/AIDS on rural communities, and will encourage women and youths to become aware of the potential of horticulture as a business. The program is scheduled to continue through March 2012, with long-term sustainability achieved through partner alliances.

### 2.2 GEOGRAPHIC FOCUS

USAID-STAMP is working in Mashonaland East and Manicaland provinces, though the main field office is in Harare. All the agronomists are now stationed in the field managing the partner funds from Marondera, Nyanga and Chipinge. USAID-STAMP is being implemented in 7 districts (Chipinge, Chimanimani, Nyanga, Makoni, Wedza, Marondera and Mutare) through three sub grant partners, Extracts Inc., Rusitu Valley Fresh Produce (RVFP) and Tanganda. Chipinge and Chimanimani districts are categorized as Natural region I, which is ideally suited to the targeted perennial crops such as avocados and bananas.



\*Source of Administrative boundaries: The Global Administrative Unit Layers (GAUL) dataset, implemented by FAO within the EC FAO Food Security for Action Programme

### 2.3 COMMUNICATIONS AND REPORTING

Public dissemination of information on USAID-STAMP activities through monthly bulletins and success stories has been curtailed by the continued delay in obtaining official notice of approval of the MOU from the Ministry of Agriculture, Irrigation and Mechanization. One success story on water conservation, however, was submitted prior to the Success Story Roundtable on June 15 and is pending official publication.

The revised work plan was approved during the third quarter and roll out baseline surveys have been conducted in Chipinge and Chimanimani districts following the approval of both the Tanganda and Rusitu Valley Fresh Produce partner fund awards. Enumerators were trained and entered the field under the auspices of the relevant partner to collect data on performance monitoring indicators. Final baseline reports for Tanganda and RVFP will be completed by the end of July. A new M&E Manager

has joined the USAID-STAMP team and will be assisted by a specialist in collecting and cataloguing client information. Following the successful implementation of these two surveys, a paprika baseline survey will be conducted in the production areas of Mashonaland East and Manicaland during the fourth quarter.

Three monthly financial statements were submitted and posted on the USAID-STAMP intranet site ([www.fintrac.com/STAMP](http://www.fintrac.com/STAMP)).

## 3. ACTIVITIES

### 3.1 INCREASED AGRICULTURAL PRODUCTIVITY

#### 3.1.1 Crops

##### Paprika

The majority of the 1,616 growers have now completed grading their crop, which was delayed by household labor being redeployed to bring in the maize harvest. Although price negotiations had initially stalled in April, Extracts finally agreed to pay the farmers' request of \$1.50 for Grade A product and buying commenced in earnest during May. The slightly lower prices indicated in the table below are paid to growers in the more remote areas due to increased transport costs. Eighty-five percent of the purchases made during May and June were Grade A paprika and the remainder of the paprika was split 5 percent Grade B and 10 percent Grade C. Data collected from Extracts indicates an average price of \$1.35/kg for all the paprika purchased during these two months.

Paprika Grade	\$/kg
A	1.45 - 1.50
B	0.90 – 1.00
C	0.40 – 0.45

*Source: Extracts buyers*

Extracts has faced serious cash flow constraints during the buying season, often going long periods of time without any funds. These delays have significantly reduced their success in securing the available paprika. The paprika buying season effectively begins in April with May and June being crucial months for the farmers. July normally brings in the lower grades. The lack of presence of Extracts buyers in the field during these two crucial months resulted in the crop being sold to competitors as farmers urgently needed money to pay for school fees at the beginning of the second term. The estimated yields at the beginning of June as assessed by the lead farmers and field agronomists indicated that there was a potential of 251 tons of paprika to be bought from beneficiary farmers. Losses due to side marketing have been estimated at between 30-50% of the crop depending on the accessibility of the area.

Up until the end of June, Extracts bought 75,603 kg from 52 percent of the growers, of which 32 percent repaid their inputs in full. Overall, the smallholder attitude towards repayment has been good, as Extracts had made this clear to them during discussions on grower contracts at the start of the project. Payment for inputs has primarily been collected in the form of deductions from the paprika sales with one or two growers offering cash instead. The commitment to input repayment was illustrated by a woman farmer from village 9, Chiendambuya who travelled to the Extracts office in Ruwa to pay the remainder of her input credit, a total of \$27. An incentive is being used to encourage

**Beneficiary farmers store  
paprika before grading.**  
*Photos by Fintrac Inc.*



repayment in the form of a “Credit worthy certificate,” which is given to growers once they have completed their repayments in full. In some areas such as Goromonzi and Chinhenga, paprika was collected as a contribution to cover inputs without the growers having sold any of their product to Extracts. An additional 18 percent of the growers have made partial repayments due to poor yields caused by the heavy rains in December/January followed by the late season drought.

Province	District	% Growers Sold	% Inputs Paid in Full
Mashonaland East	Goromonzi	0	41
	Marondera	48	10
	Wedza	64	13
Manicaland	Makoni	50	28
	Nyanga	59	53
<b>Overall Total</b>		<b>52</b>	<b>32</b>

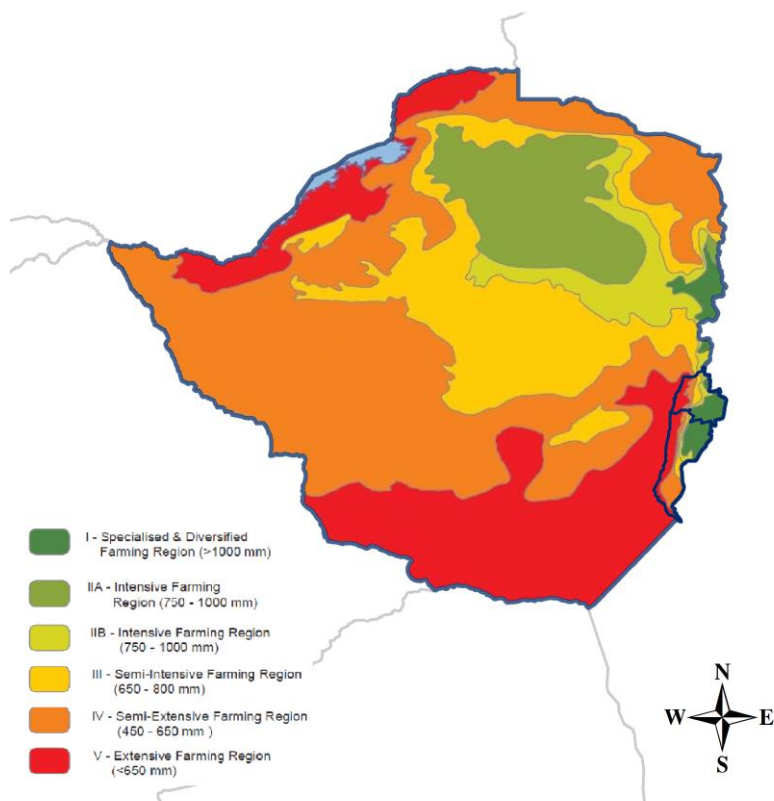
*Source: Extracts buyers at end of June 2011*

Since Extracts had been slow in purchasing paprika from program growers because of cash flow issues, USAID-STAMP management explored other possible market linkages. When Capsicum was awarded a credit line through the AgriTrade facility operated by CABS, an approach was made to explore the interest of the company to purchase paprika from USAID-STAMP farmers. This initiative was successful as a Capsicum buyer was sent to the Dewedzo area to purchase paprika, and in the process secured \$865 worth of input repayments from the growers.



## Perennial subtropical fruit (bananas and avocado)

Partner fund awards were approved with Rusitu Valley Fresh Produce (RVFP) and Tanganda at the end of May. These target high value perennial crops like bananas and avocados. Both of these perennial crops are ideally suited to Natural region 1 found in the two districts, Chipinge and Chimanimani.



\*Source of Administrative boundaries: The Global Administrative Unit Layers (GAUL) dataset, implemented by FAO within the EC FAO Food Security for Action Programme

### Bananas

Field staff, including an M&E data officer, have been deployed to Rusitu Valley and the USAID-STAMP project is now being implemented in all seven wards of the Valley through the partner, RVFP. Thirty-six demonstration sites have been identified and field clerks have received training in data collection and reporting on USAID-STAMP M&E indicators. 1,418 beneficiary farmers have been registered by the partner as part of the program.

The initial training of the growers will be very practical, focusing on the correct stage of harvesting and reducing postharvest handling losses. The purchase of 800 crates will help alleviate damage to bananas during transport to the central pack house at Kopa growth point. The combination of training and consistent use of crates will improve the quality of the bananas at the market and ultimately the return to growers. In the first week of July, Sunspun paid the following prices for loose bananas collected from Rusitu Valley: Grade A= 28c/kg, Grade B =24c/kg and Grade C = 20c/kg. Once bulk bins are used for deliveries to Harare the price for Grade A will escalate to 36c/kg.

### Avocados

USAID-STAMP is currently being implemented in the Chipinge district through Tanganda with one field technician stationed at Jersey Estate located near the 150 beneficiaries that have been registered. Partner staff have received training in data collection and USAID-STAMP's M&E performance indicators.

To date, 4,000 grafted Hass avocado seedlings have been purchased by Tanganda for the smallholder project and are being held at Tanganda's nursery ready for transplanting in August when temperatures start increasing with the onset of summer. A smallholder production manual is being compiled by a Tanganda avocado consultant and will be distributed to smallholders during the initial training sessions on land preparation in the fourth quarter. All the beneficiary farmers are tea growers for Tanganda and although each farmer will pay an initial nominal fee the 25 avocado plants, the bulk of

the seedling cost of \$4/seedling will be deducted over time from deliveries of all crops including tea and potatoes.

### Vegetables and root crops (Irish and Sweet potatoes)

USAID-STAMP is also working with Tanganda on Irish and sweet potatoes. Good quality, virus-free potato seed have been secured from The Seed Potato Co-op for all the growers with scheduled plantings being staggered to meet market requirements. The first collection of seed potato for 30 farmers is currently being sprouted at Jersey Estate, ready for planting at the beginning of August. Training sessions on land preparation and planting techniques started in July with the commercial plantings on the estates being used for the initial demonstrations.

In-field nurseries will be set up for the virus-free sweet potatoes in September/October and will provide improved planting material as well as new varieties, giving growers access to alternative markets.

#### 3.1.2 Technologies

USAID-STAMP continues to promote ways to improve smallholder productivity. The project with Tanganda has targeted improved planting material for all 150 beneficiary farmers because it is critical to increasing agricultural productivity. In the case of potatoes, the Amethyst variety was selected given its high yield potential and the seed has been inspected by Seed Services and certified as virus-free A Grade seed. Once this crop has been harvested, it will provide table potatoes to sell and also good quality seed for the following crop cycle. The grafted avocado seedlings imported by Tanganda have received phytosanitary clearance and have been specifically chosen to meet the quality criteria demanded by the export market. Although most of the growers in the Chipinge district have a few trees of avocados, they are of unknown origin and unsuitable for export.

Banana producers in Rusitu Valley traditionally do not rely on irrigation or apply any fertilizers to their plantations, which has resulted in bananas measuring less than 15 centimeters. Even if these bananas arrive at the market free of bruises and in a good state, they are still downgraded to C category as the market prefers longer bananas. Farmers will be exposed to new technologies such as water conservation, fertilizer use and irrigation through 36 demonstration plots that have been identified in Rusitu Valley. These will be fully operational in the next two months.

USAID-STAMP's partnership with RVFP included input support for growers in the form of Compound J, a high potassium basal fertilizer ideal for bananas, because it was identified as one of the key constraints to productivity during initial site visits. This fertilizer will be distributed to the growers on a cost recovery basis once the rains begin in September/October.

### 3.2 EXPANDED MARKET ACCESS

Activities with Tanganda and RVFP have resulted in 1,568 farmers being incorporated into the formal value chain for local and export markets. By the end of the third quarter, RVFP had purchased 135 tons of bananas at an average price of \$0.20/kg from 926 farmers. This is 10c/kg more than what they received from the 'makoronyera,' or bukkie traders, before USAID-STAMP linked them to commercial buyers. Systems are being fine-tuned to co-ordinate the logistics of harvesting and delivery to market in as short a time as possible. As there is currently no cellphone network in place, this has to be done by word of mouth through the 18 field clerks making the process challenging.

The network provider in the area, Econet, is currently installing a base station in Rusitu Valley, which should be completed by August. This will not only assist with logistics through improved communications but also provide an alternative payment option for the growers, if mobile banking can be introduced. RVFP has already held discussions with a local bank, CABS, who has expressed willingness to expand into Rusitu Valley with cellular banking and support this smallholder initiative with weekly visits from their mobile unit.

A potential partnership with The Seed Potato Co-op focuses on market directed production of seed and table potatoes. Market linkages are essential for long term sustainability in the production of high value crops like potatoes. Direct technical input will ensure that quality standards are adhered to and growers are incorporated into all aspects of the value chain from production of seed to high value table potatoes. Smallholders will be exposed to alternative markets other than Mbare through organized leadership visits to the supermarkets and wholesalers in Harare and Mutare. Value added opportunities such as washing and packaging potatoes into 1 or 2 kg pockets will be highlighted, and farmers will be shown the quality standards required.

### 3.3 OTHER CROSS-CUTTING THEMES

#### *3.3.1 Gender*

Women are a central focus of USAID-STAMP activities. They accounted for 50 percent of USAID-STAMP training beneficiaries during the third quarter. The percentage of women in leadership positions is 21 percent and this figure should increase as the producer groups under the new partnerships elect their representatives.

USAID-STAMP continues with plans to produce a gender mainstreaming strategy for the program, however, the timing for the activity has been extended. A comprehensive and localized gender mainstreaming strategy and resulting policy requires a thorough assessment of field activities, partners, beneficiary farmers, and other stakeholders, in order to assess needs, constraints and challenges that will need to be addressed in the policy. Given that field movement has been limited to date, USAID-STAMP management has decided to acquire the services of a local gender consultant to perform the assessment, design the policy and train the USAID-STAMP staff and partners. It is believed that a Zimbabwean will not attract undue attention in the field and therefore will be able to collect relevant information.

#### *3.3.2 Health and nutrition*

Discussions were initiated with several NGOs in regard to training in nutrition gardens and HIV/AIDS. Negotiations are being finalized with two NGOs for the Marondera, Makoni and Nyanga districts. Activities are expected to begin the next quarter.

#### *3.3.3 Environment*

The revised Environmental Mitigation and Monitoring Plan (EMMP) was submitted and field agronomists have received training in basic environmental field assessments. A short-term environmental consultant will also be contracted next quarter to increase the capacity of field and partner staff.

Training in the safe use of pesticides was conducted with the paprika smallholder farmers. Training focused on operator safety and personal protective equipment (PPE) required when applying pesticides. The training was well received and growers were surprised that the protective clothing was not as expensive as they had expected.

## 4. LESSONS LEARNED

**Data collection.** Challenges experienced with Extracts in obtaining important data resulted in staff from two of USAID-STAMP's partners receiving training in the first month of implementation. The primary focus of the training was on data capture and consisted of practical sessions in filling out the M&E forms used to report on performance indicators. This resulted in the successful registration of 1,568 beneficiary farmers in a short period of time.

**Baseline survey.** Completion of the baseline survey under the name of the partners in Chipinge and Rusitu Valley was successful with no adverse effects on operations of field staff. This same methodology will be used to implement the baseline survey for the paprika growers and any other future partners.

## 5. CHALLENGES AND CONSTRAINTS

**MOU.** Although USAID-STAMP continues to face delays in the signing of the MOU, agronomists are working in the field, though in a low-key supervisory role. They have also avoided any high profile meetings. As a result, there has been no publicity of USAID-STAMP and field visits by key stakeholders such as USAID, have been postponed, limiting the ability of the program to promote its success.

**Extracts.** Because the USAID-STAMP agronomists are operating in the field under the partner's identity, the smallholders see them as Extracts employees and not from an independent organization. This has caused various challenges especially since the buying season started in May.

**Training.** It has been difficult for the USAID-STAMP field agronomists to conduct training sessions since the buying season began given that the farmers have been unsettled by Extracts' cash flow constraints and the company's lack of presence in the field. This has caused some tensions and refusal to co-operate with the field team on what are perceived as low priority issues.

**Data collection – yield and sales figures.** Gathering accurate data from the lead farmers and growers is challenging because they are reluctant to inform the USAID-STAMP agronomists of their true yields and sales. They have been nervous of divulging these figures because they perceive there may be some consequence to side-marketing due to the contract in place with Extracts.

**ADF program.** Discussions have been held with Lead Trust in connection with their potential ADF paprika project in Nyanga, which has received \$200,000 in financing from the US Embassy for the 2011/12 season. USAID-STAMP field personnel have reported that growers were reluctant to commit themselves to an Extracts contract for the new season in seven of the areas in Nyanga district as they were expecting support from the ADF project. Although there did not seem to be any clear indication of exactly what endeavors the new ADF project would focus on, paprika is still the target crop. Communications have now been opened and Lead Trust is aware of the current projects that are being implemented in the same areas in the hope of avoiding any future overlap or conflict.

## 6. NETWORKING AND COLLABORATION

### 6.1 CURRENT PARTNERS

Partner fund awards with Tanganda and RVFP were approved during the third quarter and now USAID-STAMP is being implemented jointly with three partners in seven districts and in two provinces of Zimbabwe. A new partnership with Zimflora, a flower exporter with links to the Dutch Flower Group, was approved in early July. Impact of the activity will be reported beginning next quarter. Although the number of farmers involved in the Zimflora program is small, it is a key pilot project targeting a high value perennial flower crop ideally suited to smallholders. It has also been selected because of its potential for expansion to a National large-scale program through the Zim-AIED project.

### 6.2 POTENTIAL PARTNERS

A partner fund award with The Seed Potato Co-op has been submitted to USAID for feedback. The entry level into seed potato production has traditionally been perceived as being too high by many smallholder farmers even though the additional sales from selling smalls and chats as seed could significantly increase their income. Input support through USAID-STAMP will provide AA seeds to 20 farmers to bulk up and provide sufficient Grade A seeds for 260 table potato producers. The value of this input will be repaid by the growers once their crop has been harvested.

The Seed Potato Co-op has the capacity to produce 120,000 pockets of 30 kg AA grade as basic seed that can be multiplied to meet the national target of 30,000 hectares per annum. Currently potato production is far below this national target and the Seed Potato Co-op has observed the need for farmers to be assisted to achieve good yields. The Co-op, in conjunction with the Potato Growers Association, have been active in putting together a National Potato Task Force working with key players in the industry such as the Government of Zimbabwe (GOZ), input suppliers and the Fresh Produce Marketers' Association. The Taskforce realizes that one of the major constraints facing new potato farmers is the lack of knowledge and they have been attempting to increase the capacity of farmers to produce good quality potatoes. Their main focus, however, has been to support growers producing more than 5 hectares of potatoes, therefore smallholder farmers have not benefitted from this initiative. USAID-STAMP's partnership with The Seed Potato Co-op will address this issue by specifically targeting smallholder farmers for capacity building and technical assistance.

## 7. CONCLUSION

Although activities have slowed down with the end of the paprika growing season, the initiation of the two new partnerships and the anticipation of two more being approved, USAID-STAMP is expected to make even greater impact during the fourth quarter.



## ANNEX I: PROGRESS AGAINST INDICATORS

Name of the Implementing Agency: Fintrac, Inc.	Reporting Period: Q3: April-June 2011	
Local Address: USAID-STAMP 5 Premium Close, Mount Pleasant Business Park Mount Pleasant, Harare	Home Office Address: Fintrac, Inc. 3077 Kronprindsens Gade 72 St Thomas, USVI 00802	
Project Title: Smallholder Technology and Access to Markets Program (STAMP)	Target regions: Manicaland and Mashonaland East	
Cooperative Agreement #: 674-A-00-10-00088-00	Principal Target Beneficiaries: Zimbabwean Smallholder Farmers	
Period of Project: September 27, 2010 – March 26, 2012	Related Program Area and Elements of Operational Plan: 1. Agricultural Sector Productivity 2. Expanded Market Access	
Planned Life of the Project: \$1,999,905	Amount Obligated to Date: \$1,999,905	Pipeline: \$0

Indicators	FY 2011						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Number of rural households benefiting directly from USG assistance	4,500	3,184	1,508	108	1,568		Households
Number of people benefiting from USG-supported social assistance programming	22,500	15,920	7,540	540	7,840		People
Percent change in on-farm net incomes of program-assisted farmers	50						Percent (US\$/Ha)
Percent change in yields of targeted crops/products	50						Percent (Kg/Ha)
Percent change in costs of production per unit	-10						Percent (US\$/Kg)
Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	4,500	1,616					Program Farmers
Number of individuals receiving short-term agricultural sector productivity training	4,500			1,520			Trainees
Number of program farmers engaged in contract farming	1,125	1,616	1,508	108			Program Farmers
Value of incremental sales (collected at farm level) attributed to FTF implementation	1,370,000						US\$

Indicators	FY 2011						Units
	Target	YTD	Q1	Q2	Q3	Q4	
Value of farm sales by all direct program-assisted farmers	3,050,000						US\$
Value of new client and counterpart investments	550,000	141,131	108,320	15,059	17,752		US\$
Percent leadership roles in producer groups held by women	25	21		21	21		Percent
Percent women participating in training events	40	49		47	50		Percent
Number of public-private partnerships formed as a result of USG assistance	4	3	1	0	2		PPPs
Number of partner CBOs/NGOs providing health/nutrition services to program farmers	3	0	0	0			CBOs/NGOs

## ANNEX II: MARKETING SURVEYS



### Zimbabwe | Smallholder Technology & Access to Markets Program (STAMP)

Market Bulletin #03:

## The EU Market for Sweet Potatoes

### INTRODUCTION

Sweet potatoes (*Ipomoea batatas*) are a starchy, sweet tuberous root crop of the Convolvulaceae family. Often thought to be related to white potatoes from the Solanaceae family, sweet potatoes are much more nutritious and come in a variety of colors, with skins ranging from red, purple, brown, and white, and flesh ranging from white to yellow, orange, and purple. Sweet potatoes, of which the orange fleshed varieties are the most common, are rich in complex carbohydrates, dietary fiber, beta carotene, and vitamins A (200 grams contains 769 percent of the recommended daily allowance), B6, and C. These nutritional benefits, long shelf life and easy preparation make sweet potatoes a highly sought after commodity with growing demand.

### PRODUCTION

World sweet potato production decreased by about 25 million metric tons (MTs) between 2004 and 2008. In 2004, China, responsible for 85 percent of world production, grew 105,835,521 MTs of sweet potatoes, but by 2008 this figure had dropped to 80,522,926 MTs. According to research conducted by Gad Loebenstein and George Thottappilly in the book *The Sweetpotato* (2009), China decreased its planting area and yields leveled off as cultivation was pushed into marginal growing areas. Also, because of the world economic crisis, traditional substitutes such as imported wheat flour regained ground against sweet potatoes in neighboring Southeast Asian markets. As shown in Table 1, China's average production was reduced by 20 million MT (except in 2005 when production was reduced by 12 million MTs), which accounts for the majority of the worldwide decrease in sweet potato production.

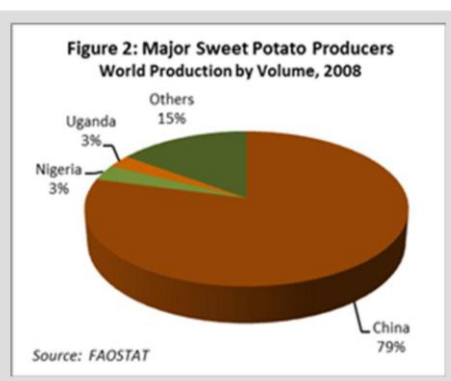
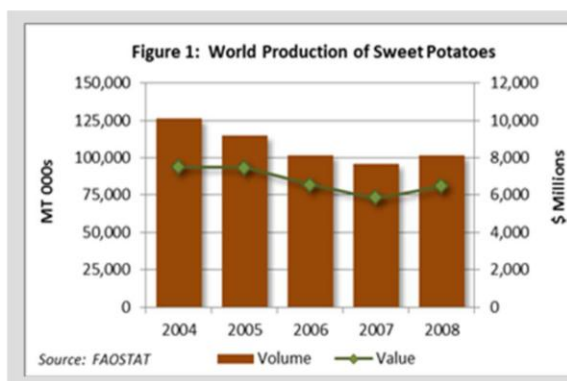


Photos by Fintrac Inc.

Beauregard sweet potatoes have an orange flesh rich in beta carotene.



The starchier Bushbuck sweet potatoes have purple skin and white flesh.



Market Bulletin #03: Sweet Potato  
**Smallholder Technology and Access to Markets  
 Program**

**Table 1: World Production of Sweet Potatoes**

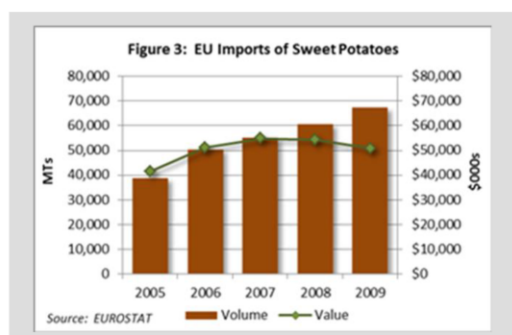
Supplier	2004		2005		2006		2007		2008	
	MT 000s	\$ Millions	MT 000s	\$ Millions	MT 000s	\$ Millions	MT 000s	\$ Millions	MT 000s	\$ Millions
China	105,836	\$5,634	102,749	\$5,593	81,274	\$4,638	75,800	\$3,991	80,523	\$4,415
Nigeria	2,996	\$301	3,205	\$322	3,462	\$348	2,432	\$244	3,318	\$333
Uganda	2,650	\$266	2,604	\$262	2,628	\$264	2,602	\$261	2,707	\$272
Indonesia	1,902	\$170	1,857	\$166	1,854	\$166	1,887	\$169	1,877	\$168
Viet Nam	1,512	\$51	1,443	\$45	1,461	\$46	1,438	\$44	1,324	\$120
Tanzania	1,502	\$151	1,415	\$142	1,396	\$140	1,322	\$133	1,322	\$133
India	1,179	\$118	1,179	\$119	1,067	\$107	1,067	\$107	1,094	\$110
Other	8,667	\$815	380	\$813	8,950	\$835	9,515	\$890	9,649	\$902
<b>Total</b>	<b>126,244</b>	<b>\$7,507</b>	<b>114,832</b>	<b>\$7,460</b>	<b>102,092</b>	<b>\$6,545</b>	<b>96,062</b>	<b>\$5,840</b>	<b>101,814</b>	<b>\$6,453</b>

Source: FAOSTAT

**IMPORTS**

EU imports of sweet potatoes, fueled by increasing demand in the United Kingdom and the Netherlands, have had significant growth over the past five years. From 2005 to 2009, imports steadily increased year after year, from 38,603 MTs in 2005 to 67,174 MTs in 2009.

Figure 3 illustrates how EU imports of sweet potatoes have increased every year between 2005 and 2009. In 2005, the EU imported 38,603 MTs of sweet potatoes valued at \$43.4 million. By 2009, imports had increased 43 percent to imported 67,174 MTs worth \$52,171,821.

**Table 2: EU Imports of Sweet Potatoes**

Supplier	2005		2006		2007		2008		2009	
	MTs	\$000s	MTs	\$000s	MTs	\$000s	MTs	\$000s	MTs	\$000s
USA	16,036	18,215	20,122	21,717	19,022	19,895	26,063	24,928	33,224	24,806
Israel	14,135	16,701	19,595	21,832	21,805	24,533	19,507	18,682	12,456	11,748
Honduras	794	821	2,132	1,608	4,750	2,959	6,025	3,140	4,133	1,986
China	460	339	716	524	2,074	1,191	1,940	1,425	8,962	5,152
Egypt	2,708	1,828	2,837	1,915	2,909	2,579	2,400	1,940	3,133	2,464
South Africa	1,697	2,000	1,231	1,029	1,604	1,594	1,781	1,801	2,454	2,095
Brazil	1,324	1,190	2,052	2,058	1,024	1,109	1,473	1,602	1,724	1,799
Other	1,449	516	1,553	523	1,724	1,005	1,240	880	1,087	786
<b>Total</b>	<b>38,603</b>	<b>41,611</b>	<b>50,238</b>	<b>51,205</b>	<b>54,912</b>	<b>54,865</b>	<b>60,429</b>	<b>54,397</b>	<b>67,174</b>	<b>50,837</b>

Source: EUROSTAT

**SUPPLIERS**

The EU imports sweet potatoes mostly from the United States, with 49 percent of its supply coming from the US in 2009. The second largest supplier of sweet potatoes to the EU is Israel, which contributed 19 percent of imported volume in 2009. However, Israel's contribution is down 18 percent from 2005 when it contributed 37 percent of imports to the EU – just 5 percent lower than the US share of imports that year.

The United States continues to be the dominant exporter of sweet potatoes to the European Union. In 2005, the US enjoyed 42 percent of the import market share for sweet potatoes, exporting 16,036 MTs valued at USD \$18.2 million. By 2009, the EU had doubled its volume of imports from the US to 33,224 MTs valued at \$24.8 million. It is believed that the sweet potato actually originated in southeastern North America. The sweeter and more nutritious orange-fleshed crop grows abundantly in the Carolinas, Mississippi, Louisiana, and California. The US should be

Market Bulletin #03: Sweet Potato  
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able to maintain its strong market position given its advanced farming technologies, consistent and uniform product, year-round availability and the ability to meet stringent European marketing standards.

Israel saw a significant decrease in its share of EU sweet potato imports between 2005 and 2009, despite increases in volumes shipped from 2006-2008 (Table 2). In 2005, Israel held 37 percent of the market, exporting 14,135 MTs valued at \$16.7 million. By 2009, Israel held just 19 percent of the import market, shipping 12,456 MTs valued at \$11.7 million. Even though Israel's volumes were only down about 1.7 MTs, huge increases by the US and solid gains made by China and Honduras slashed the country's market share.

China, the world's largest producer of sweet potatoes – 80 percent of which are fed to livestock in country – increased exports to the EU between 2005 and 2009. In 2005, China held one percent of the EU market for sweet potatoes, exporting 460 MTs worth \$339,303. However, China emerged in 2009 with a solid 13 percent of the market. Over this period, China increased its sweet potato exports nearly 20 times by volume, exporting 8,962 MTs worth almost \$5.2 million.

Honduras enjoyed moderate gains between 2005 and 2009. In 2005, the country exported 794 MTs of sweet potatoes valued at \$821,027. During the next 4 years, Honduras increased its exports each year, peaking in 2008 with 6,025 MTs and settling in 2009 with 4,133 MTs valued at around \$2 million, or 6 percent of the import market by volume.

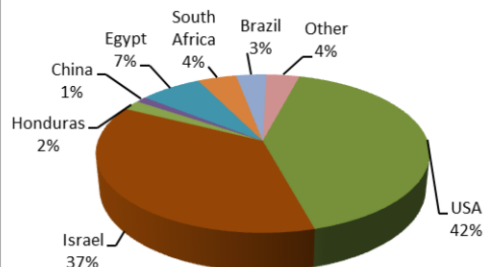
Egypt actually increased the amount of sweet potatoes exported to the EU between 2005 and 2009, increasing from 2,708 MTs worth \$1.8 million in 2005 to 3,133 MTs worth \$2.4 million in 2009. Meanwhile, South Africa and Brazil both supplied moderate volumes between these years. South Africa exported 1,697 MTs worth just under \$2 million in 2005, and in 2009 exported 2,454 MTs of sweet potatoes valued at \$2.1 million. Brazil sold 1,324 MTs for \$1.2 million in 2005 compared to 1,724 MTs for \$1.8 million in 2009.

## SEASONALITY

EU imports of sweet potatoes are highest in the winter months when the main harvest season occurs in the US, the major supplier. In December 2009, the EU brought in more than 12,000 MTs of sweet potatoes, triple the amount imported in the same month in 2005. Although EU imports from China have steadily increased each year, 2009 was an anomaly that, according to the United States Sweet Potato Council, was fueled by Europe having to supplement its supply from the US due to severe crop failures in the southern part of the country as a result of two hurricanes that resulted in crop losses of up to 50 percent.

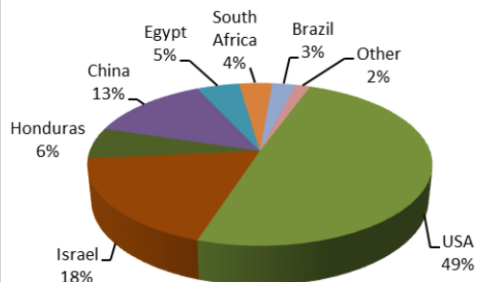
Individually, the UK imported 1,165 MTs from the US in December of 2005; in the same month in 2009, imports from the US had increased to 3,400 MTs. The Netherlands has also become a major importer of sweet potatoes during the past 5 years. In 2005, the country was barely on the map, importing only 6,148 MTs for the whole year. However, by 2009, the Netherlands imported 19,327 MTs of sweet potatoes (7,150 imported in December alone), 77 percent of which was supplied by China.

**Figure 4: EU Sweet Potato Imports  
 Market Share by Volume, 2005**



Source: EUROSTAT

**Figure 5: EU Sweet Potato Imports  
 Market Share by Volume, 2009**



Source: EUROSTAT



Market Bulletin #03: Sweet Potato  
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## PRICES

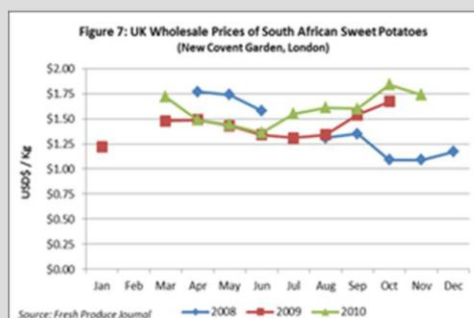
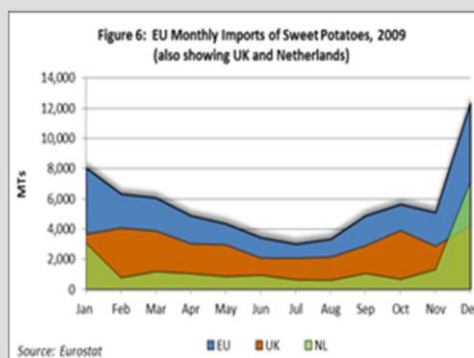
Figures 7 and 8 show wholesale prices at London's New Covent Garden market for the three year period 2008 – 2010. Wholesale prices of sweet potatoes from South Africa followed a similar trend in 2009 and 2010, with prices dipping a bit in the summer months and then rising beginning in the fall.

The average annual wholesale price as reported by the Fresh Produce Journal was \$1.43 per kg for 2009 and \$1.59 per kg in 2010.

Figure 8 shows that wholesale prices for Israeli sweet potatoes during this period were slightly higher. The average price in 2010 was \$1.79 per kg, down 6 cents from 2009's average price of \$1.85 per kg.

## OUTLOOK

Several produce importing companies and supermarkets have teamed up with US exporters and associations such as the North Carolina Sweet Potato Commission and the US Sweet Potato Council to promote the tuber to health-conscious consumers with a growing appetite for alternatives to white potato. As importers and supermarkets have invested in new advertising campaigns to promote sweet potatoes and raise awareness of their nutritional properties, consumer demand has increased. The sweet potato is now a common feature at the dinner table and on restaurant menus, and new products are being introduced such as the purple sweet potato variety. According to the Fresh Produce Journal, new value added products such as frozen sweet potato French fries and other presentations in the prepared foods category are also experiencing increased demand.



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Market Bulletin #04:

### The EU Market for Avocados

#### INTRODUCTION

**Avocado** (*Persea americana*) is the fruit of a tree native to Latin American and the Caribbean. It is cultivated in many countries with tropical climates across Asia, Africa and Latin America, as well as temperate ones such as the United States (California). The Hass variety is the dominant and most popular commercial type grown, and is exported in large volumes to the United States, the world's largest importer of avocados. The Fuerte variety remains the most popular greenskin avocado being exported to the EU, though popularity for the Hass variety is growing due to year-round production, longer shelf-life and its rich, nut-like flavor.

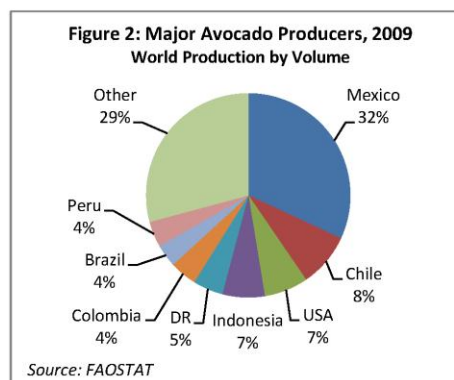
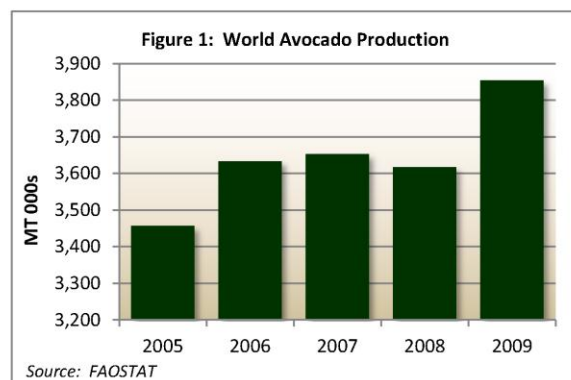


#### PRODUCTION

Between 2004 and 2007, world avocado production increased at an average rate of 4 percent per year. Production leveled off in 2007 before dropping slightly in 2008 due in part to a weather-related drop in production in Chile, the world's second largest producer. However, the industry made a full recovery in 2009 with production shooting up 6.5 percent to 3,853,930 MTs. Estimates for 2010 indicate that the production continued to rise at rates comparable to pre-2008.

**Mexico** is by far the world's leading avocado producer. In 2008, it accounted for more than one-third of global avocado output, nearly four times more than **Chile**. Other major producers include Indonesia, Dominican Republic, Colombia, Brazil, Peru, Spain and the United States.

In **Africa**, Kenya, South Africa, Rwanda, Democratic Republic of Congo and Cameroon together accounted for 12 percent of world output in 2008.

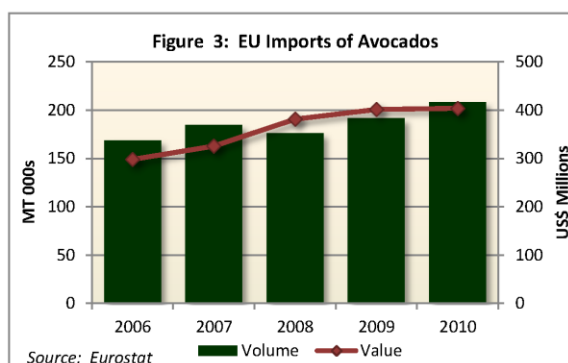


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### IMPORTS

The **European Union (EU)** is the second largest import market for avocados after the US, receiving 208,432 MTs, valued at US\$404 million in 2010. Peru, South Africa and Israel are the top suppliers of avocados to the EU market, together providing 68 percent of its 2010 imports by volume.

The **Netherlands** and **France** are the top avocado importing countries in the EU, receiving almost two thirds of overall EU imports in 2010 with a combined total of 130,347MTs valued at US\$262 million. The **UK, Spain** and **Italy** combined brought in 72,736 MTs valued at US\$133 million, roughly one-third of EU imports that year. Italy's imports have multiplied exponentially since 2008, when the country held less than 0.15 percent of the market; in 2009 and 2010, they were responsible for 10 percent of overall EU imports following a surge of shipments from Israel.



**Table 1: EU Avocado Suppliers**

Supplier	2006		2007		2008		2009		2010	
	MTs	\$000s	MTs	\$000s	MTs	\$000s	\$000s	MTs	MTs	\$000s
Peru	30,515	58,640	35,857	62,618	49,895	108,025	45,819	90,939	56,282	110,109
S. Africa	36,008	64,948	37,957	67,341	50,578	98,600	38,377	74,278	47,262	94,971
Israel	31,926	51,724	50,577	79,240	26,081	62,394	30,766	67,932	39,680	69,524
Chile	34,009	57,690	30,235	61,255	16,640	35,697	41,049	100,312	34,788	73,012
Kenya	13,656	20,213	12,000	17,956	11,868	26,122	15,038	25,923	14,101	24,800
Mexico	16,455	33,877	11,479	24,715	11,881	30,261	10,428	23,172	7,985	16,667
Other	6,095	11,246	6,737	12,869	9,126	20,655	10,098	19,358	8,333	15,051
<b>Total</b>	<b>168,663</b>	<b>298,337</b>	<b>184,841</b>	<b>325,994</b>	<b>176,070</b>	<b>381,755</b>	<b>191,573</b>	<b>401,914</b>	<b>208,432</b>	<b>404,135</b>

Source: Eurostat

Tariff code CN08044000, Fresh or Dried Avocados

### SUPPLIERS

**Peru** has enjoyed steady growth in its share of the EU import market for fresh avocados, with growth of 84 percent by volume from 2006 to 2010, and shipments increasing from 30,515 MTs valued at \$59 million in 2006 to 56,282 MTs worth \$110 million. Peru's peak harvest season extends from May to September.

Although relatively small in terms of global market share, **South Africa** and **Kenya** are the main African exporters of avocados, with South Africa being the second largest supplier to the EU. The two major export markets for avocados originating in South Africa and Kenya are the EU and the Middle East. South Africa exported 47,262 MTs valued at \$95 million in 2010, up from 36,008 MTs worth \$65 million in 2006, an increase of 31 percent by volume. In 2010, 63 percent of South Africa's avocado exports to the EU were shipped to the Netherlands. Kenya's shipments, by contrast, have hovered between 12,000 MTs – 15,000 MTs over the period, with value ranging \$17 - \$26 million. In 2010, 55 percent of Kenya's avocado exports by volume to the EU went to France. Other African countries supplying lesser volumes of avocados to the EU include **Swaziland, Zimbabwe, Uganda** and **Cameroon**.

**Israel**, the third largest supplier to the EU, was responsible for 20 percent of EU imports by volume in 2010. Overall, exports from Israel have experienced a 24 percent increase since 2007, despite a drop in 2008 after frost severely damaged crops. Israel's exports will likely increase as the country has seen a 10-12 percent increase in land area devoted to avocado production, with 300-400 hectares added each year ([www.univeguk.co.uk](http://www.univeguk.co.uk)). Nearly 60 percent of Israel's exports in 2009 went to Italy and accounted for 99

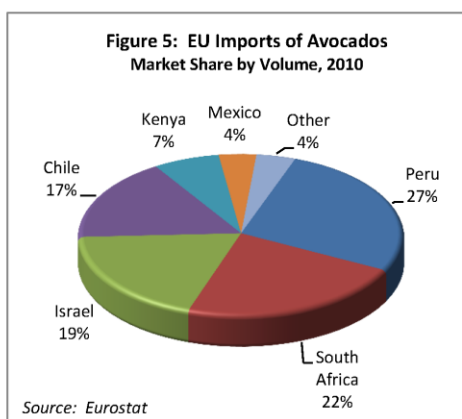
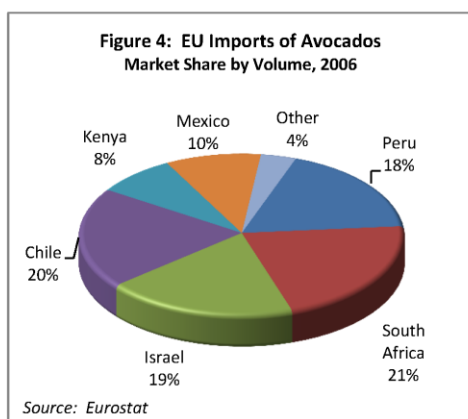


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percent Italy's avocado imports that year. This trend continued in 2010. Israel's export season begins October and ends in May, with different varieties featuring throughout the growing season. Ettinger kicks off the production season, followed by Pinkerton, Fuerte, Ardith, Nabal, Reed and Hass, with the latter comprising one third of the exported volume. Traders believe varieties that fruit later in the year should be planted due to increased demand at that time.<sup>1</sup>

**Chile** is the second largest world supplier of avocados and the fourth largest supplier to the EU. In 2010, Chile exported 34,788 MTs of avocados valued at US\$73million to the EU, accounting for 17 percent share of the EU's avocado imports that year. The country's export market share – although still below 10 percent of world export totals – has doubled since 2005. Its exports to Europe have followed the same pattern as Peru, showing a significant drop in 2008.

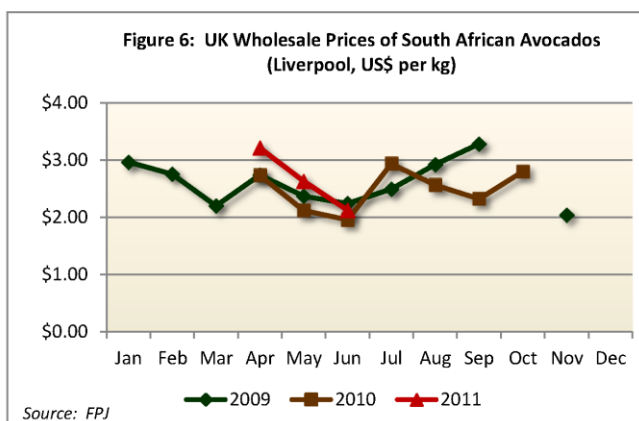
**Mexico**, the world's largest producer of avocados, has steadily decreased its volumes destined for the EU market. Mexican avocado EU market share dropped from 10 percent in 2006 to 4 percent in 2010, with the majority of its exports now headed for the United States.



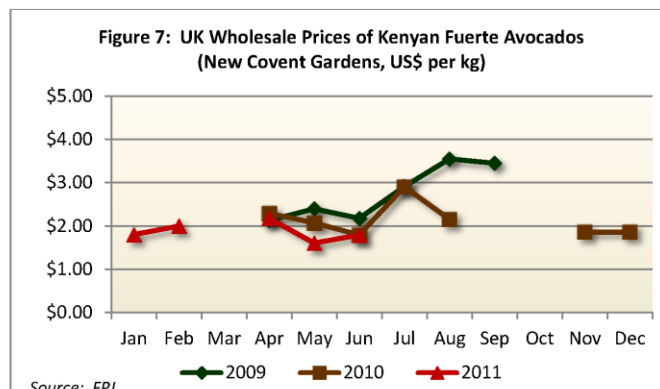
## PRICES

Avocados are typically marketed in 4-kg containers in the EU. Wholesale prices in 2010 fluctuated from US\$1.96 to \$2.80 per kg. Avocado imports from Kenya and South Africa averaged \$2.13 and \$2.49 per kg, respectively, while those from Israel saw an average of \$2.00 per kg. During the first half of 2011, average prices ranged greater than in 2010, from \$1.60 to \$3.24 per kg.

EU prices are slightly lower during the summer months when product is available from suppliers such as Peru, whose peak harvest season extends from May to September.



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### STANDARDS

Industry representatives have complained about the requirements some countries are imposing in terms of food safety and Good Agricultural Practices certifications. According to sources speaking to the *Fresh Produce Journal*, while meeting GlobalGAP certification is sufficient to export to most EU countries, growers have to bear annual compliance and audit costs when supplying certain supermarket chains utilizing the British Retail Consortium and other private protocols. Suppliers wishing to target this segment of the market should investigate the requirements and costs presented by each of the applicable protocols.

### OUTLOOK

In recent years, consumption of avocados has increased steadily in the EU. Industry sources expect demand for avocados in Europe to continue its upward trend in the coming years. Much of the demand in Europe is driven by increased awareness of the fruit and its potential uses and benefits. Promotional campaigns throughout Europe from producing countries such as South Africa, Chile, Israel, and, most recently, Peru have attempted to raise consumer awareness regarding avocados.

Three EU countries act as hubs or redistribution centers for the avocado trade in Europe: the Netherlands, Spain and France, with France also being the largest consumer in the EU. Growing demand from these countries has resulted in a 23 percent increase in imports by volume since 2006. Further expansion in demand is likely as consumers become educated about the health benefits of avocados.

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<sup>1</sup> "2009 a Tough Season for Greek Avocado Harvest," Associated Content, March 19, 2009.  
[http://www.associatedcontent.com/article/1570943/2009\\_a\\_tough\\_season\\_for\\_greek\\_avocado.html](http://www.associatedcontent.com/article/1570943/2009_a_tough_season_for_greek_avocado.html)



## ANNEX III: LIST OF PRODUCE BUYERS

Partner	Crop	Buyer	Contact Details
Hyveld	Paprika	<ul style="list-style-type: none"> <li>Hyveld</li> <li>Capsicum</li> </ul>	<ul style="list-style-type: none"> <li>0772 213 991</li> <li>0712 606 004</li> </ul>
Rusitu Valley Fresh Produce	Bananas	<ul style="list-style-type: none"> <li>Sunspun Fruits and Vegetables</li> <li>Interfresh</li> </ul>	<ul style="list-style-type: none"> <li>621 221 -3</li> <li>758 520-40</li> </ul>
Tanganda	Potatoes	<ul style="list-style-type: none"> <li>Interfresh</li> <li>Freshtrade</li> </ul>	<ul style="list-style-type: none"> <li>758 520-40</li> <li>585 364/ 0712 203 634</li> </ul>

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